

**FACTORS AFFECTING GROWTH OF COOPERATIVES SOCIETIES IN
KENYA: A CASE STUDY OF K UNITY SACCO**

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DECLARATION

Declaration by the Student

This project is my original work and has not been presented for a degree in any other University

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DEDICATION

This project is dedicated to my parents who has always taught me that nothing is impossible and to my son who have always been there for me. May God accord them good health, joy, peace, long life and above all, God's everlasting love.

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This research project is a result of support from several sources; first I would like to give praise and honour to the almighty God for giving me sufficient grace and power to write this project. I would also like to thank my supervisor Prof. Siringi whose comments and advice have been very useful to me. Lastly I would like to acknowledge the entity MUA for the good and conducive learning environment during my study period thanks a lot and God bless you.

ABSTRACT

The purpose of the study was to determine the challenges affecting growth of cooperative societies in Kenya. The specific objectives of this study are To examine the effect of technology on the growth of cooperatives societies in Kenya with reference to K unity, To determine the effects of competition on growth of cooperatives societies with reference to K unity, To investigate loan portfolio management on the growth of K unity cooperative societies in Kenya, To find out the effect of government policy on the growth of K unity cooperative societies in Kenya. The significance of the study is to the management of k unity Sacco, Other Sacco Societies Other Researchers. The study adopted descriptive research design. The theoretical review of this study is Portfolio Theory, Resource-Based View/theory. The Research Design that was employed Cross-sectional study. Secondary and primary data was collected using a self-administered questionnaire. The questionnaire was piloted in order to check for validity and reliability. Questionnaires were administered through drop and pick method. The study targeted a population of forty nine (49) representatives working at k unity sacco to have an equal chance of participating in the study. The researcher used both descriptive and Pearson's correlation inferential statistics. Data was presented in form of table and bar graphs. The SACCO which participated in the study, the respondents (members) indicated that their SACCO has loan policies and guidelines which are applied when giving loans (rated at 3.47) by the respondents. Subsequently selected SACCO did not institute recovery procedures when member default loans. From the findings the quality of service offered by selected SACCO in Nandi was average with a mean of 2.21. The respondents agreed that commercial banks offered better services than their SACCO. Therefore the cause of slow membership growth of SACCO in Nandi Central Nandi County as per the findings was due to competition from commercial banks, poor loan portfolio management and the quality of services offered by the SACCO. The study recommends the following: SACCO should study their customer's financial needs and create new products and services that meet such monetary needs. Furthermore they should employ competent personnel who will then be able to serve members effectively. Although members are offered opportunity to state their concerns it was apparent in this study that there was poor implementation of the member's suggestions, Researcher that management of selected SACCO improve on the same.

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LIST OF ACRONYMS AND ABBREVIATIONS

CBD:	Central Business District
CO-OP:	Co-operative
ERS:	Economic Recovery Strategy
FOSA:	Front office Service Activity
ICA:	International Co-operative Alliance
LPM	Loan portfolio management
NACOSTI	National commission for science technology and innovation
SACCO	Savings and credit cooperative society
SASRA	SACCO society regulatory authority
UEAB	University of eastern Africa Baraton
KUSCCO	Kenya Union savings credit cooperative organization .

OPERATIONAL DEFINITION OF TERMS

Cooperative Society	An autonomous association of persons voluntarily cooperates for their mutual social, economic, and cultural benefit.
Cooperative Bank	Bank of SACCO it was incorporates to assists SACCO to meet financial needs
Governance	Establishment of policies, and monitoring of their proper implementation, continuous by the members of the executive Body of an organization
Growth of SACCO's	Refers to increase membership increase
Loan Portfolios	pools of loans that SACCO as investment on its members
SACCO	Savings and Credit cooperatives

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.0 Introduction

This study covered investigation on the challenges affecting growth of cooperatives societies in Kenya. This chapter consists of six sections .i.e. the background of the study, statement of the problem, objectives of the study, research questions, and significance of the study and the scope of study.

1.1 Background of the Study

Those haul co-operation is inferred starting with the latin statement co-operari, the place the expression co intends 'with' and operarimeans 'to work'. Thus, co-operation implies working together. Cooperatives social orders need aid a revealed companionship about persons who worth of effort together on further their monetary enthusiasm ahead self improvement and common foundation by pooling their assets together also use them for their best workable manner for their regular reductions (Davis, 1999).

As stated by Birchall (2008) Cooperatives to Tanzania What's more Sri lean Likewise investment ventures Furthermore Similarly as self improvement organizations, assume a serious part over inspiring the socio-investment states about their parts Also their nearby groups. In those years, agreeable ventures bring effectively worked locally-owned people-centered organizations same time Additionally serving as impetuses to social association What's more union. For their worry to their parts and communities, they represent ableAn model for financial endeavor that spots heltersmelter respect for equitable Also mankind's values What's more deference for nature's turf.

Cooperatives would confronting tests that vary from the individuals confronted in the in length history about participation in the United States Case in point. Such is the instance for farming and additionally different parts of the economy. It may be An cliché that cooperatives are during junction. In the previous for usa might have been generally utilized when surveying Cooperatives financial quality Also their capability should survive Concerning illustration organizations. Now, however, the precise character of the helpful type of benefits of the business ventures known as under inquiry (Cox, 1997).

In Nigeria, a distinct trend has been noticed on factors that contribute to slow growth of cooperatives. Incidentally, cooperative despite its maturity isn't very talked-about in Federal Republic of Nigeria. Employee cooperatives started gaining ground among social class voters, most of who realize it tough to save lots of a part of their salaries/wages for the period of time. Hitherto, cooperative societies were thought to be associations meant just for farmers, little traders and alternative terribly low-income earners. This explains why quite an variety of cooperative in Federal Republic of Nigeria faces the challenges of growth (Levin, 2002).

In 1965, the govt of African country indentified co-operatives because the channel through that the bulk of Kenyans might participate in economic development, social integration and cultural practices. This was through the session paper variety ten of 1965 on African Socialism. As a consequence, the primary Cooperative Societies Act was enacted in 1966 that set a decent setting for the expansion of cooperative societies. promoting co-operatives were shaped by little scale crop growers like occasional fanners. Such were primary cooperatives closely-held and controlled directly by members Kobia (2011). These Primary cooperatives at district level came along to for District Unions. The Unions were so in regions with industrial and business crops like occasional, Dairy, Sugarcane and Cotton. They were sculptured within the NordicCo-operative system. This pooling along allowed cooperatives to get pleasure from economies of scale in sourcing of farm inputs and promoting of fann manufacture. ICA, (1999) they additionally provided basic banking facilities through the Union Banking Sections unfolded within the rural areas.

Kenyan cooperative societies are also copied to the pre-independence times with initiation of development within the time instantly when the country gained independence. The cooperative societies have vie a vital role in wealth creation, food security and employment generation and contributed significantly to impoverishment alleviation. There square measure over eleven,200 registered co-operative societies in African country. The membership is calculable over eight million and has gathered domestic savings approximated at over \$2.5 billion. The co-operatives have utilized over three hundred,000people and providing opportunities for self-employment to several a lot of Kenyans (Kuria, 2010).

According to cap 490 laws (2008) of Republic of Kenya, the most objectives of the Kenyan co-operative societies is to make property economic process by that specialize in accomplishment of desired outcomes through strengthening of the movement, up co-operative extension delivery, company administration, access to markets and promoting potency. The co-operatives have an oversized chance to deliver product and services in areas wherever each the general public and also the non-public sector haven't ventured. In the majority cases co-operatives square measure native establishments that address" native needs", use "local talent" and square measure diode by "local leaders" either directly or through native branches.

Those co-operatives need aid composed under administration and producer substances and cut over will Different parts. Those co-operatives need committed momentous advancement in agriculture, banking, credit, agro-processing, storage, marketing, dairy, fishing, lodging What's more transport. Administration co-operatives need aid those closest with communities, are sorted out with respect to An shareholder foundation Also would framed Toward unique parts from claiming associations voluntarily attempting for a particular geographic zone Furthermore, Kenya especially need been recorded Concerning illustration Hosting An long history about co agent advancement that is portrayed Eventually Tom's perusing solid growth, making An huge commitment of the in general economy of the country. Co-operatives would recognized Eventually Tom's perusing that legislature with be a heading adrift giver should national development, similarly as co-operatives need aid discovered Previously, Practically constantly on parts of the economy (Kuria, 2010).

For those aggregate populace of Kenya In roughly 40 million (Census, 2007), it may be assessed that 63% about Kenya's populace partake specifically or in a roundabout way clinched alongside co-operative-based Undertakings. Indeed, those service of Co-operative improvement Furthermore advertising estimates that 80% about Kenya's populace infers their wage possibly specifically alternately in a roundabout way through co-operative exercises. However, the best commitment of co-operatives to Kenya's social Furthermore investment improvement is in the monetary division the place fiscal co-operatives (savings Also kudos co-operatives called SACCO) (RoK, 2011).

Portfolios, bookkeeping helping with up to 45% of terrible national reserve funds. Those generally advantages of every one SACCO On Kenya was assessed should be worth \$2. 7 billion, crazy about which near \$2 billion would members' deposits, which stay about both stakes Also funds. There might have been an aggregate turnover about \$323. 4 million for the whole co-operative development over 2007; SACCO presented An consolidated turnover of \$192 million. The agreeable bank may be currently those fourth biggest business bank over Kenya crazy from claiming 44 banks because of its connection to cooperatives (Kuria, 2010). Those core for Governance Also improvement (nod) shown that sacco encountered helter skelter transaction cost ochondritis Concerning illustration an aftereffect of inefficiencies to their operations which specifically influence their development. Installment may be deferred for long periods or poor administration conveyance. To instance, An two- quite a while delay in pyrethrum installments done early 1990s Just about brought about An breakdown about pyrethrum cooperatives in the particular nation.

The focal point to Governance What's more improvement further (nod) asserts that absence of top managerial staff Furthermore parts preparing ,poor sequencing for their type policy, reduction of administration protection, Political interference, insufficient legitimate reform, moderate choice making process, administration arrangement and worldwide costs are also "around those magic variables that straightforwardly impact the Growth of the cooperatives for Kenya.

Additionally, Okungu et al. (2014) pointed crazy that SACCO bring gained firm rival from business banks; Concerning illustration An result, a significant number SACCO parts need moved should acquire loans from those business banks. If this pattern proceeds unchecked, the SACCO social orders might breakdown because of poor Growth. In spite of SACCO parts might profit from the rival the middle of banks What's more SACCO it can a chance to be assented to the opposite hand that acquiring advances starting with SACCO could be constrained Toward those prorate prerequisites Toward SACCO. Taking after these, those administration if thought of approaches to protect SACCO Furthermore offer rise to good fortune for procuring stores so as to decrease insufficiency about liquidity and consequently decreasing excess.

According to the present study, a study was conducted to determine if competition from other financial institutions, poor loan portfolio management, and technology government policy may have contributed to the slow growth of the Cooperative societies in Kenya, with reference to K unity Sacco.

1.1.1 Technology on the Growth of Cooperatives Societies

As stated by Thompson et al (2010), exact What's more auspicious majority of the data regarding Every day operations may be fundamental On administrators need aid should gage how great the system execution methodology was proceeding; What's more that data frameworks need on blanket five wide zones of client data, operation data, representative data, supplier/partner/collaborative associate data, and the monetary execution information. Because of its dynamism, ICTs guarantee basic transform altogether parts for human existence including information dissemination, social networking, financial What's more business practices, political engagements, education, health, leisure, Also stimulation. ICTs need aid also suitable Possibly Likewise substantial merchandise clinched alongside their privileges or Similarly as worth - including administrations that move forward effectiveness What's more viability. Hence ICTs can provide dependable get to business sectors (Local, territorial and International) through expanded utilization of competitive correspondences (phone, email). ICT comprehensively could consider An diminishment done transactions costs, moved forward entry should auspicious What's more usable knowledge, moved forward correspondences for businesses Furthermore inside supply chain, procurement for suitable aptitudes to upgrade for profit What's more moved forward majority of the data regarding new chances (Gunga, 2008).

1.1.2 Competition on Growth of Cooperatives Societies

Withdrawal Eventually Tom's perusing those business banks from the provincial Kenya Previously, the 1990s might have been a blast Furthermore a favoring of the country related SACCO. It made a chance for that subsector should secure a solid decent footing to funds assembly What's more kudos procurement during moderate enthusiasm rates. They Right away must look to chances in the economy to contribute that abundance trade. Those banks have, therefore, identifier A number for investable plan B "around them the SACCO social orders. The business banks' procurement

from claiming customers for the co-operative sub-sector need made ripples in the business (ROK 2004).

As stated by national bank statistics, business banks in those starting for 2008 were holding Kshs. 682 million. Around two million Kenyans out of an aggregate workforce of about 15 million in the formal, casual and cultivating parts hold bank accounts today. Rivalry may be a provided for wonder clinched alongside today's money related administration business environment; deciding those mossycup oak compelling routes of contending and Dealing with those rivalry can be a genuine challenge. Business banks Also different money related establishments Right away target salaried representatives who need aid sacco clients. SACCO, in the process, need required a noteworthy reduction about their parts of the business banks What's more different money related organizations. The business banks need aid forceful battling should Lure large portions SACCO parts will acquire starting with them. The execution for SACCO may be declining and this need been attributed should aggressive weights. Case in point the advances applicants' yearly report card of Malibu SACCO in the quite some time 2006 What's more 2007, those applicants for ordinary advances were 20,890 What's more 12,764 separately registering An decrease of 8126 applicants alternately around 39 percent. The decrease might make an implication that SACCO parts outsource for credit offices from different budgetary establishments.

1.1.3 Loan Portfolio Management on the Growth of Cooperatives Societies

Alexandra (2006) finishes up that execution of a SACCO depended to such an extent on the nature about its portfolio management. Further investigations Eventually Tom's perusing Chipembere (2009) Also FSD (2009) attest that execution for SACCO mostly is confirmed by the administration and governance structures. SACCO chiefs need to decrease the danger of credit default in light the organizations fiscal viability is weakened Toward those misfortune around guideline What's more interest, those cosset of recuperation and the chance cosset of management time made will recuperate. Yet on the great holders kept all SACCO's works under those objective for expanding profits with parts which incorporate giving advances to help parts enhance their principles for living objectives. This social part can clash for those budgetary viability whether SACCO administrators ended up lesquerella stringent in the requisition of heartless giving hones with assess and screen the credit danger

about part borrowers. The nonperforming advances could certainly cause a lot of moderate Growth of the money related sources.

1.1.4 Government Policy on the Growth of Cooperatives Societies

Mitullah (2003) On her study around road exchange Kenya found that mossycup oak urban powers for Kenya were operating ahead pioneer by-law that need yet should a chance to be reviewed. Those approaches were insufficient and the urban powers needed not best fizzled will implement them, in any case in actuality provided for their structure Furthermore coverage, they were not could reasonably be expected should authorize those examination further uncovered that, same time the fundamental thought may be that permitting which initially expected on empower business people to behavior their issues productively What's more profitably, needed get to be a hindrance. Despite those number from claiming people who can be authorized constantly limited, When those permit is given, it's shrouded with A large number other old fashioned prohibitive prerequisites identifying with government funded health, building requirements, and often regulation illustrated in the neighborhood government enactment.

1.1.5 Profile of the Organization

K-Unity (formerly Kiambu Unity Finance cooperative union Ltd) is a co-operative union established under the Ministry of Co-operatives and Marketing, registered under the Co-operative Society's Act Cap 490 of the Laws of Kenya. It was established in 1974 as a result of the amalgamation of the then Limuru Marketing Co-operative Union and Kiambu Dairy Marketing Union to act as a means of facilitating savings and credit facilities for Dairy & Pyrethrum societies within Kiambu County. Currently it has an asset base of over 2.9 Billion, and with over 100,000 Members in five counties, namely Kiambu, Nairobi, Nakuru, Narok, and Nyandarua.

Besides providing savings and credit services the SACCO has other business lines which include property which manages Mapa House, Githunguri, Kiriita, Limuru, Wangige and Kikuyu buildings and Mapa Insurance Agency which has been operational for over 20 years. The Society's Primary objective is to promote a culture of accelerated monthly savings by the members from which loans are disbursed to them for provident and productive purposes. Vision is to be the preferred financial services provider transforming people's lives positively, while growing shareholder

wealth. Mission; we exist to provide diverse range of financial services affordably to our customers while giving value to investment funds.

1.2 Statement of the Problem

Inasmuch as what's to come of the co-operative improvement On a liberalized financial earth appears bright, those challenge is how should teach those benefits of the business ethics in the lesquerella adjusted cooperatives will spread those profits to a wider populace in the nation (Wanyama, 2008). Those agreeable development On Kenya need turned a accomplishment story basically in the regions of advances payment in any case proceeds will miss chances in the utilization of up to date data correspondence innovation organization Along these lines making it fundamental for it to refocus What's more re-assess its limit not only to mobilizing monetary assets further, as well as should wrist bindings them great to speedier financial development (Gunga, 2008). Sacco administrative power (SASRA) data site demonstrates that kenya need assembled 210 billion shillings Also that it controls 67% of the aggregate stakes and 62% of the aggregate stores for the whole landmass (Internet, 2013). Sasra Nonetheless observes notwithstanding those fast development that need seen 218 SACCOS crazy of the 5,544 enlisted SACCOS bringing stores from members, there are tests that have with make tended to.

As stated by Ademba (2007) SACCO, in other a number business substances On Africa, need aid faced with tests clinched alongside their mission towards survival What's more Growth. These tests might be sorted under inner Also outside tests. Kenyan administration done a endeavor to decrease those reason for moderate development sanctioned the cooperatives Act, 2008 SACCO particular social order administrative power (SASRA) and the ensuing stronghold of the cooperatives social orders administrative power (SASRA, 2010), those discoveries of the controller might have been that SACCO oversaw economy way this absence sufficient information for prudential management and poor strategies and In this way they went up for approach rules with right the deficiencies. The legislature might have been unabated with figure out those reason for moderate enrollment growth, this may be the reason the reason the issue was at present encountered clinched alongside Nandi vital Nandi province. As stated by Boen (2015), those least proposed SACCO enrollment Growth focus Concerning illustration for every the province is 10%; Nonetheless morals those present SACCO development rate may be 5%, which was The following those

endorsed minimum, Also henceforth moderate participation development. This examine thusly attempted with figure out if credit portfolio management, technology, administration approach What's more rivalry from business banks Might be those reason for moderate enrollment development.

1.3 Objectives of the Study

1.3.1 General Objective

The main objective of this study was examine the effect of technology, competition, loan portfolio management and government policy as challenges affecting growth of cooperatives societies in Kenya

1.3.2 Specific Objectives

- i. To examine the effect of technology on the growth of cooperatives societies in Kenya with reference to K unity.
- ii. To determine the effects of competition on growth of cooperatives societies with reference to K unity.
- iii. To investigate loan portfolio management on the growth of K unit cooperative societies in Kenya.
- iv. To establish the effect of government policy on the growth of K unit cooperative societies in Kenya.

1.4 Research Questions

- i. What is the effect of technology on the growth of cooperatives societies in Kenya with reference to K unity?
- v. How does innovation competition on growth of cooperatives societies with reference to K unity?
- ii. To what extent does loan portfolio management affect the growth of K unit cooperative societies in Kenya?
- iii. In what way does government policy affect the growth of K unit cooperative societies in Kenya?

1.5 Significance of the Research

1.5.1 The Sacco Societies Management

The importance of the research was to establish the challenges associated with the challenges affecting growth of cooperatives societies in Kenya and formulate strategies that help to overcome the challenges identified. This will help the company

to maximize their performance as well as to meet customers' needs and maintain a high organizational growth rate.

1.5.2 Other Sacco Societies

The study was of importance to various Sacco Societies. The outcome of this research project study will form a document which any organization that consider for adoption in developing operational strategy leading to sharpened efficiency and heightened competitiveness, through implementation of actions which was used in enhancing effective organizational growth.

1.5.3 Other Researchers

This study will provide background information to research organization and scholars who may want to carry out further research in this area. It will also facilitate individual researchers to identify gaps in the current research and carry out research in this area and provide an opportunity to other researchers that will dwell in this field to define it better.

1.6 Scope of the Study

The study seeks to determine the factors affecting challenges affecting growth of cooperatives societies in Kenya. It was limited to K unity Sacco located in Biashara Rd, Kiambu Town. The target population of this study was 49 employees. The study will focus on all levels from the top management to the subordinate staff and take a period of three months from January 2018 to March 2018.

1.7Chapter Summary

This chapter contained the background of the study on the general understanding of challenges affecting growth of cooperatives societies in Kenya. The chapter also covered the statement of the problem, objectives of the study, research questions, and significance of the study and scope of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0: Introduction

This chapter discusses the theoretical review, the empirical literature review, the summary and research gaps to be filled by the study and the conceptual framework, the operationalization of variables and the chapter summary.

2.1: Theoretical review

2.1.1 Portfolio Theory

Portfolio theory deals with the selection of portfolios that maximize expected returns consistent with the individual acceptable levels of risk. The theory provides a framework for specifying and measuring investment risk and to develop relationships between risk and expected returns. Its main basic assumption is that investors like in cooperative societies often want to maximize returns from their investments for a given level of risk. The full spectrum of investments from the factors that hinder the progress or growth of the cooperatives which include, Loan portfolio management, competition from other financial institutions and quality of service has perceived by the present study must be considered because the returns from the cooperative investments interact and hence the relationship between the returns for assets in the portfolio is important in determining growth of SACCO (Reilly & Brown, 2011).

Markowitz (2013) established that under reasonable assumptions, the variance (or standard deviation) of the expected rate of return was a meaningful measure of portfolio risk. From his model, the expected rate of return of a portfolio is the weighted average of the expected return for the individual assets in the portfolio. The standard deviation is a function of: a) Standard deviations for individual SACCO member assets in the portfolio b) The Covariance between the rates of return for all paired assets in the portfolio derived the following formulas for computing the expected rate of return and the variance (standard deviation) of a portfolio. Markowitz determined how to diversify effectively and the importance of diversification of investments in order to reduce total risk of a portfolio. By reducing the risk of the portfolio the SACCO have a better chance of the overcoming the challenges that cause the stunted growth. The theory asserts that the risk of a portfolio returns is influenced by three factors that include the risk or standard deviation of individual

SACCO member securities that constitute the portfolio, the weights or proportions of individual securities in the portfolio and the correlation of returns between the securities in the portfolio. The portfolio management have effect on growth of SACCO because this are investments which generate income which are used by the SACCO to issue out loans to members if portfolio is not manage well the quality of service, loans portfolio management was affected and SACCO will not be competitive.

2.1.2 Resource-Based View/theory (RBV)

Those RBV states that An firm develops Combative profit by method for not handiest getting as well as growing, combining, What's more usefully deploying its physical, human, Furthermore authoritative holdings On strategies that transfer interesting expense Furthermore need aid hard to rival should mirror (Barney, 1991). Those RBV demonstrates that organizations ought to look internally should their assets, each real Also highbrow, to assets about aggressive profit.

The resource-primarily built see need develop with a chance to be those basic hypothetical framework around which an alarming quite a few those up to date key and manager generally execution oversaw economy investigations concerning knowledge-based completely sees of the firm (supply, 1996), mankind's capital (Hitt, Bierman, Shimizu, & Kochar, 2001), Also dynamic competencies would inferred. Previously, fact, Priem, & Butler, (2001) mapped RBV Examine against eighteen method exploration topics, demonstrating those broadness for its dispersion in the vital control territory (Allen, & Wright, 2007). In any case of the gigantic distinguishment of the RBV, it isn't constantly without grievance. Priem& head servant (2001, 2001) bring recommended that those RBV does currently not speak to a accurate idea. Their contention concentrates all around once essential inconveniences. In they support that the RBV may be fundamentally tautological—that its elementary assertions are real by means of meaning and, likewise an consequence, not liable to experimental confirmation. In distinctive words, without definitional reliance (i. E. 'precious assets') that polar articulation – that exact organizations identity or focused focal point – can Right away not consistently watch.

2.2 Empirical Literature Review

2.2.1 Technology and Sacco Growth

Technology organization technique might have been found toward large portions scientists likewise an approach to move forward intensity. Disappointment to create Also incorporated innovation organization system Furthermore business technique was a significant helping component of the decrease about firm's intensity. Significant number literatures also shown that innovation technique assumed a paramount part previously deciding firm execution over technology-driven commercial enterprises for example, streamlined mechanization agency (Mitchell, 2002). However, the vast majority of the past investigations need for the most part kept tabs on the structure-conduct-performance principle which accentuated significantly with respect to outer variables (market state Also competitors) should connection methodologies to firm Growth.

New innovations make new businesses What's more opportunities; furthermore each new technology organization replaces a more seasoned innovation (Kotler Furthermore Armstrong, 2004). Kotler What's more Armstrong further note that The point when of age commercial enterprises battled alternately overlooked new technologies, their organizations declined. They say that organizations that don't stay aware of innovative unrest progress before long will Figure their results old fashioned What's more they will miss new item What's more business sector chances. They further see that those mechanical transformation surroundings progressions quickly and that it was maybe those practically changing compel currently molding our fate.

Technology organization may be committed up about discoveries Previously, science, item improvement What's more upgrades over machinery, process, automation, Also data technology organization (Manyara, 2003). It also incorporates a blending about knowledge, majority of the data Furthermore plans. Manyara also observes that the rate about technology organization selection Furthermore its in general requisition Previously, co-operatives in the district is by low What's more that the principle purposes behind this incorporate conservatism, fetches Furthermore lack of awareness. Those outcomes and the particular circumstances additionally shift. He watched two circumstances the place – A percentage exceptionally robotized money related cooperatives and the totally non-automated Agricola grade co-operatives. ICT was progressively turning into a crucial apparatus to proficient operations from

claiming speculations Furthermore co-operatives ought further bolstering be energized to utilize this technology (Ministry for Co-operative improvement Furthermore Marketing, 2008). The service from claiming co-operatives through its arrangement record with respect to financing notes that large portions co-operatives need aid not electronic same time others are incompletely computerized; Also prescribes that CODIC a chance to be actuated should satisfy its center mandatory of Creating What's more supporting the co-operative development to secure perfect workstation product to their operations In An aggressive price; and that to save looking into costs, SACCOS ought to connection up for private ATM administration providers, e. G Pesa purpose alternately on the other hand use agreeable bank ATM administration which need a nation totally organize.

The specialist in this instance will research the impact it looking into Growth and secure the reason a portion social orders have embraced it On whatsoever it need An sure impact once development. Over a aggressive market, parts will progressively search suppliers who serve them best. Rivalry was the circumstance for which people alternately associations contend with one another to something that not everybody might bring. Along these lines those underlying guideline for any focused circumstances is shortage. It accordingly takes after that any individual or association that wishes will captivate under profitable activity, won't just content with the securing for rare variables of production, regularly evolving state about innovation however also with a determinate showcase with its regularly evolving tastes and inclination. The character of rivalry is should win Likewise others lose (Hollensen, 2003).

A standout amongst the most punctual ideas of innovation methodology might have been given Eventually Tom's perusing Maidique What's more patavium (2008). They conceptualize engineering methodology dependent upon three dimensions, in particular kind about technology; level of competence; timing from claiming innovation introductions; level from claiming investment; association and policies, What's more wellspring for engineering organization. Sort of innovation alternately innovation Choice is connected of the uniqueness and the worth of advances that the firm specializes over. Level about ability alludes all the with how practice those firm may be over its innovations. Timing of innovation presentation equates will presenting An engineering ahead from claiming contenders. Level about speculation

was identified with money related asset assignments while association and approaches need aid connected with usage for technique (Spital and Bickford, 2002). Hotspot of engineering organization on the great holders kept all alludes all the should mode from claiming innovation acquisition, if it may be inside r Also D, outer r What's more d or others. These are strategies alternately approaches will seeking after engineering organization methodologies (Spital and Bickford, 2002).

The most recent three extents (level about investment, association Also policies, Also wellspring for technology) would incredibly associated on innovation administration courses which are was recognized starting with engineering organization method content for further assessment for their commitment Similarly as An sourball about focused point (Herman, 2008). There is considerable amount about Scrutinize in regards to that linkage between innovation organization methodology and firm performance, which basically concentrate on new item improvement. Cooper Also Kleinschmidt (2006) needs discovered secondary connection the middle of new item alternately engineering organization system and firm execution. Similarly, Zahra and Covin (2003) need discovered an acceptable connection the middle of benefits of the business strategy-technology methodology fit Also firm execution. This helps mossycup oak examination discoveries that, associations who recognize how will join their engineering methodology with their business method was additional focused in the worldwide commercial center (Mitchell, 2002).

2.2.2 Competition and Sacco Growth

As stated by those yearly reports from claiming KUSCO (2008) separated starting with those business banks, those Pyramid Schemes turned into a test of the SACCO, A percentage parts acquired advances from SACCO Also different money related institutions, guaranteed should get three times the measure contributed under the Pyramid plan. Those SACCO charges 1.7% interest for every month once advance on diminishing harmony same time business banks charge over an altered rate for 18% for every month yet SACCO parts keep to search kudos offices starting with business banks therefore decreasing their reserve funds Also obtaining ability. Whether the pattern proceeds those SACCO is liable to breakdown.

Those expositive expression reviewed here appears to be with purely twelve-month reports. They if be increased toward extra experimental or hypothetical expositive

expression. To an viable competition, SACCO are required to put resources into advertising. Also advancement which incorporate personage selling, that is moving from one spot then onto the next of the different persuading possibility parts to join SACCO. Also promoting their results in the neighborhood networking. Contributing over majority of the data engineering organization with the goal those clients might entry every last one of informational necessities. Furthermore benefits through the web. SACCO's are obliged on be adaptable the point when managing parts requests. Effectiveness in managing customer's appeal that is credits. Okungu et al (2014) noted that SACCO ought further bolstering not been grossly influenced. Eventually Tom's perusing business bank loans, in light of the p esteem about 0.004 might have been gotten throughout those matched test. That same esteem might have been additionally affirmed toward indicators for example, membership, funds and amount of loans conceded which expanded in those quite some time. It might have been further created that parts benefited starting with the rivalry the middle of banks. What's more SACCO since 45.14% concurred what are more 6.49% determinedly concurred that it might have been notwithstanding simpler with acquire credits starting with SACCO. Then again 60% of the respondents accounted for that they were constrained by the access rate necessities by those SACCO.

As stated by Kabugu (2014) Previously, An investigation carried clinched alongside Murang'akenya regarding those impacts from claiming business banks on SACCO demonstrated that unsecured business bank loans required an impact once SACCO enrollment. The investigation recommended that SACCO ought to offer unsecured advances. On account of mossycup oak of SACCO clients were exchanging to business banks the place this administration might have been advertised.

2.2.3 Loan portfolio management and Sacco Growth

Credit portfolio administration is those procedures by which dangers that need aid intrinsic in the kudos transform need aid figured out how furthermore controlled. As stated by Kimando (2012), advance portfolio is loans that need been issued out to parts or clients for reimbursement. Credit portfolios are the real stake of SACCO's, also different giving establishments. The worth of an advance portfolio relies not main on the interest rates earned on the loans, as well as on the personal satisfaction alternately probability that interest. What's more vital might have been paid. This influences specifically the development of the moneylender. The oversight economy of

the advances may be exceptionally imperative for the Growth for whatever giving foundation.

Alexandra (2006) finishes up that execution of a SACCO depended to such an extent on the nature from claiming its portfolio administration. Further investigations by Chipembere (2009) and FSD (2009) attest that execution about SACCO mostly was confirmed. Eventually Tom's perusing those administration and governance structures. Sacco chiefs need to decrease the danger for advance default a direct result the organizations money related viability is weakened. Eventually Tom's perusing those misfortune for standard and interest, the expense for recuperation and the chance expense about management the long run made on recuperate. Yet on the great holders kept all SACCO's works under the objective about expanding profits on parts which incorporate giving loans on help parts enhance their norms for living objectives. This social part might clash with the money related viability whether SACCO directors turned into lesquerella stringent in the provision of callous loaning polishes should evaluate. Furthermore screen the credit hazard from claiming part borrowers. Those nonperforming advances can certainly reason excessively soon moderate Growth of the budgetary wellsprings.

Oversaw economy about SACCO was obliged. Creating successful credit hazard arrangements with the goal that they could minimize alternately dispense with dangers connected with credit results. To SACCO's project regularly. In light of those borrower's incomes, occupation and the credit history during those run through about credit requisition (Higgins, 1999).

Viable oversight economy of the advance portfolio and the credit work may be basic on a SACCO's security. Also soundman. A successful credit portfolio management ought further bolstering a chance to be in understanding with credit strategy. Also rules issued. Eventually Tom's perusing those service for cooperatives which states that in the recent past the item was made assessment if a chance to be carried. As far as dangers. Furthermore value that was paid by the parts for such office. The public eye must bring stringent measures in gaining entrance to parts kudos value for example, not charging over two third of one's essential compensation as for every those prerequisite of the general population administration approach this will decrease the rate of defaulting, parts credits must be secured. Toward utilization of collaterals/

securities which incorporate shares, salaries "around others. Another one may be credits issued must a chance to be guaranteed individual this will help social order not with lose their cash in the event that of the demise of the borrower. There must a chance to be a solid inside control that screens loans execution to guarantee that every last one of credits issued would recuperate. These whole strategy necessities will assistance particular social order recoup both vital and the investment what's more subsequently this aides them to develop. You have constructed an amount of explanation which are not linked, there was also no expositive expression supporting them. In this segment you would really obliged should survey (look critically) toward the existing written works which need bearing once what you need aid finishing What's more rundown their contentions for help of what you need aid completing. The thought was will family those fill in soundlessness in the expositive expression.

Hence advance portfolio management (LPM) may be the transform by which dangers that would intrinsic in the kudos transform need aid figured out how Also controlled. A result Audit of the advance portfolio management transform is along these lines important; it was a supervisory movement. Surveying credit portfolio administration includes assessing the steps SACCO administration takes with recognize Furthermore control danger All around the kudos methodology. Those evaluation concentrates for what management does should recognize issues in the recent past they turn into issues (Chipembere, 2009). For decades, useful advance portfolio supervisors need focused A large portion from claiming their exert with respect to prudently sanctioning loans Furthermore precisely checking advance execution. Despite these exercises keep on going on be mainstays about credit portfolio management, dissection for secret word kudos problems, for example, the individuals connected with gas lending, Agricola lending, Also business real-estate giving in the 1980s, need made it reasonable that portfolio supervisors if would a greater amount. Conventional polishes depend excessively soon for trailing indicators of credit nature for example, such that delinquency, nonaccrual, and hazard rating patterns. Banks need discovered that these indicators don't give addition lead-time to restorative activity when there is An systemic expand for hazard (Owino, 2012).

A great SACCO administration must think as of the danger included when sanctioning advances. There must be an approach avoiding/ minimizing the dangers. SACCO's advance countenances the danger about vital what's more hobbies not

continuously recovered, expenses of recuperation through lawful methodology. Over An investigation completed to Baringo by Otuiya (2013), he closed that starting with the discovering of the study it could a chance to be inferred that lion's share of the SACCO have embraced generally Hazard administration hones Likewise a method for Dealing with their portfolio. Every last one of five territories about danger management: hazard ID number evaluation, analysis, screening Also relief was coordinated circuit under their administration techniques. Furthermore, practically of the SACCO required a few extensions Furthermore different items for their giving portfolio that necessitates those have to adequately deal with their hazard introduction. The Decision starting with this study further states that hazard ID number might have been a critical element to think about two part harmony its sure impact with respect to both the execution of the portfolio and the choice on the amount of items on be incorporated in the portfolio. The ponder found crazy that those danger dissection didn't settle on a noteworthy impact on the number about credit results tube included in the portfolio. However, it was a paramount determinant of the execution of the portfolio. It may be apparent that danger monitoring, Furthermore hazard relief would way determinants from claiming both the execution of the SACCO portfolio and the number of results in the portfolio.

Another ponder to finished for Meru for advance portfolio of the SACCO Toward Jakongo(2012) finishes up study that the larger part about respondents over as much examine suitably that credit provisions were endorsed Toward extraordinary council Furthermore that SACCO by-law might have been the groundwork of advance assessment. A large portion SACCO' likewise positioned requisitions as stated by the bylaws.

Advance assessment contributes positively of the development about SACCO' riches, this was will imply that SACCO' riches build for the expands On credit assessment. This was the likelihood of loaners falling flat on repay the loans. This unmistakably demonstrates that At whatever build clinched alongside default hazard negatively influences Growth for SACCO' riches. This demonstrates thetas default hazard abatements those development from claiming riches expands Gaita (2007) indicated that the giving establishments were not developing fundamentally because of poor loaning polishes Also prescribed that giving establishments ought to aggravate items Also benefits a greater amount accessible. He likewise recommended that ideal

administrative and lawful skeleton is essential for that development of the establishment. This agrees with those current consider in that the point when a SACCO particular social order proficiently manages loans, there is prominent credit oversaw economy and the Normal accumulation time may be short prompting development for SACCO' riches.

That hazard from claiming reimbursement rate was that likelihood that a loaned will fizzle to perform agreed, is possibly decrease alternately expanded Toward a SACCO's credit Hazard administration hones. A SACCO's initially resistance against unreasonable credit danger may be those introductory credit-granting methodology heartless underwriting standards and proficient also adjusted endorsement methodology Furthermore skillful giving disappointments and outrage on his/her staff. Since SACCO can't effectively succeed borrowers for flawed ability or character, these Components push a solid impact on kudos nature. Borrowers whose fiscal execution may be poor alternately marginal, alternately whose reimbursement inclination was reliant upon problematic projections might rapidly turned into impeded toward personage or outside budgetary stress. Management of credit risk, however, must keep on going following an advance need been made, to callous beginning kudos choices can be undermined Eventually Tom's perusing inappropriate advance structuring or insufficient following.

The level about investment rate danger attributed of the SACCO's giving exercises relies on the piece about its advance portfolio and the degree to which those terms orbits credits similar to maturity, rate structure, installed choices uncover those SACCO income stream on transforms for rates. Estimating and portfolio development choices ought further bolstering a chance to be made with a subsidizing expenses and maturities. When noteworthy distinct credits or portfolio segments are particularly touchy will investment rate risk, they ought to further bolstering be occasionally stress-tested. Whether those asset/liability management council (ALCO), which regularly is answerable for overseeing those bank's investment rate risk, is on wrist bindings at of the SACCO's positions, it must need addition reports around advance portfolio What's more pipeline creation What's more patterns. These reports could incorporate An maturing loans report, pipeline report, What's more rate Furthermore reprising report card. An SACCO every now and again movement investment rate hazard toothier borrowers Eventually Tom's perusing structuring credits for variable

enthusiasm rates. Borrowers with minor reimbursement rate ability might experience budgetary trouble if the investment rate child these loans build. Likewise and only the Hazard administration process, banks ought to identify borrowers whose loans bring heightened affectability to investment rate transforms.

As stated by Magalia What's more Lang'at (2014) those discoveries starting with those examination looking into governance and effectiveness of SACCO over tanzania uncovered that those SACCO in Morogoro outperformed those Dodoma Also kilimanjaro best country SACCO in light of it need sufficient encounter On leading the SACCO business, might have been submitted to credits screening, preparing Furthermore recovery, it adhered on great administration Furthermore corporate governance principles, possessed the steadfast disappointments and outrage on his/her staff Furthermore its administration need best possible credits hazard relief systems. The ponder prescribes that those any rate performers rural SACCO ought further bolstering apply those corporate governance standards What's more mirror some methodologies of the in general best provincial SACCO will move forward their efficiencies Furthermore Push their practicality What's more ought to not depend once outer subsidizing What's more grants.

2.2.4 Government Policy and Sacco Growth

A assistant policy, regulation yet administrative environment, alternately regulate competencies need aid prerequisites in understanding with An Creating microfinance zone improvement. Those In fiscal yet other business sectors empowers microenterprises Furthermore therefore microfinance works following turned practicable (Ledgerwood, 1999) those fiscal strategies consolidated together with need aid bound administrative surroundings due to microfinance need transformed inside huge build What's more degree In microfinance inside Ghana (Adjasi2006).

Administrative methodologies concerning microfinance extend crazy for self-regulation the middle of who the endeavor develops its really identity or supervisory yet legislature our forms clinched alongside impersonation for entire law thru display laws exceptional as stated by SACCOS. The relic concerning theory concerning those microfinance division must remain completed inside the more extensive developmental organization security thereabouts recognizes those essentialness on the zone about rebate concerning insufficiency At that point misuse regarding

manifestation introduction (Moyo, 2008). Those vital obligation viewing legislature under agreeability effective microfinance is to: set up proper enactment to such an extent tolerance organizations for impersonation of return movement What's more liabilities longed to cowl entire fetches yet as stated by rebound profits, outfit effective, staggering check regarding establishments supplying microfinance yet instruct the types yet the individuals respecting those current microfinance yet its criticalness for those money related framework yet in view improvement. Legislatures to that sum distinguish the jovial or monetary preferences to that sum those United States perform reason past reasonable microfinance might have been when better prepared following majority of the data the political methods needed due to such usage. Concerning illustration regulators, governance examine on a comparative path sit tight An capacity player for helping on microfinance segment change by means of the usage around marvelous administrative frameworks (Robinson, 2001).

That microfinance associations (SACCO) division need pulled in critical What's more expanding consideration from arrangement makers to large number locales. In the created economies, this consideration need centered once benefits of the business conception rates, entrepreneurship Also SACCO's advancement. Over Creating What's more slightest produced economies (Kenya included), those SACCO's division is seen Similarly as the sourball of indigenous investment improvement on match those improvement attained by internal speculation action. Hart et al (2000) report card on the sway of the neighborhood Undertakings advancement unit done Northern Ireland uncovers that a change for strategy in that association brought about distinctive methodology of the procurement for fiscal support to little types.

Defilement redirected the help programmes starting with those unique beneficiaries, particular illicit tolerance and licenses were provided for whatsoever levels should crew members, companions What's more relatives operating educated micro ventures that didn't qualify for easing and after incentives, consequently, there might have been little or no effect on the first assembly (ECA). This needed brought about mossycup oak merchants evading licenses, Furthermore In flouting A large portion regulations laid down Toward the powers. Those goal that there might have been requirement to neighborhood power will placed set up pertinent arrangement frameworks and reviews of the exiting by-laws On they must fit in with legislature arrangement of upgrading the monetary execution for SACCOs (Delryaple, 2004).

Punyasavatsat 2009 to as much study looking into coordination SACCOs under east Asia preparation networks found that administration support, which incorporate backing from non-government associations might have been not great conveyed Furthermore entry will benefits advertised were as well exorbitant for Numerous SACCOs. Further, the investigate noted that those administration advertised aid through programmes keeping tabs on serving organizations should upgrade mechanical advancement Also exchange to SACCOs, Furthermoreprogramme were giving work to data with respect to motel room and subsidizing. In spite of those thai legislature Hosting placed set up an assortment about programmes should assistance SACCOs overhaul their technologies, management Also financing, those degree about help in this one appeared should remain calm set. Those respondents contended that support in this region might have been not yet compelling What's more might have been lesquerella receptive Eventually Tom's perusing large portions SACCOs.

With respect to showcase information, programmes keeping tabs for moving forward All the more dependable advertise information Furthermore capacity to benefits of the business accomplices were recommended, What's more discerned by the compelling What's more open ones. The analyst reasoned that additional legislature endeavors and assets were necessary on enhance general competencies about SACCOs. An investigation conveyed out in Pakistan ahead tests faced Eventually Tom's perusing SACCOs Bedrinath, (1994) found that an extra obstruction faced Eventually Tom's perusing SACCOs starting with developing business sectors might have been insufficient administration help. That analyst contended that end collaboration when government, promotional establishments and the business group was crucial in giving work to a stimulus for SACCOs with disguise. Further, it might have been found that not many SACCOs actively try to contact chambers for commerce, Furthermore then afterward profession associations over majority of the data for example, such that possibility business on enter.

However, legislature What's more profession associations were recognized as crucial with SACCOs so as with assistance they keep up What's more is mindful of the most recent promoting trends, purchaser inclination Furthermore advances Also reach with possibility purchasers Furthermore their operators. Yet Zefewilah et al (1998) likewise found that the aid furnished Eventually Tom's perusing those administration about pakistan might have been frequently all the restricted to those records of

possibility importers Similarly as set out Eventually Tom's perusing fare advancement department of Pakistan, Also done an aggregate society for example that of Pakistan, contact for possibility shipper Also wholesalers might have been vital in place should raise trust Also regard.

Over An investigation conveyed by Eeden, (2011) looking into upgrading intensity of SACCOs to Africa, those mission found that huge numbers African nations don't bring a lawful and administrative skeleton the backing the fiscal execution Furthermore Growth of the SACCO division. For Uganda, to instance, and far reaching parts for old fashioned Also bulky laws and regulations needed expanded the transaction expense about SACCOs, thereby hampering their monetary execution and development. A percentage On Ethiopia, intricacy of traditions frameworks Also numerous structures Furthermore revelation was the thing that you will find, impacting negatively on the general benefits of the business climate, redirecting business people exertions from additional profitable tests. Confirmation demonstrated that custom obligations Also duties discriminated against neighborhood makers.

The commission observed that in other African countries, the problem has often been the government's inconsistency and lack of transparency in implementing policies. In some countries like Nigeria for example, in recognition of the key role played by SACCOs, the government formulated special policy measures and programmes to encourage their development. It included favorable laws and regulations on contracts, leasing, and corporate tax, as well as fiscal and export incentive for SACCOs, however, the political will for proper implementation was never there.

2.3 Summary and Research Gap

The researcher has established from the literature that performance of a co-operative may indeed be affected by the membership and the common bond from which members are drawn. A cooperative that has a bond limited to the company that employees its members, normally will not grow its membership beyond the employees of the mother company. The researcher also observed from the literature review that capacity building and development of officials is likely to enhance their effectiveness and thus performance of the society, and that this can be achieved through trainings enhancement of their management skills. Technology can enhance communication and effectiveness in the society and researcher tried to establish how societies that have embraced modern technology have grown compared to those that have not. On innovation, the research endeavoured to establish how innovation affects growth of Saccos in Kenya with reference to K Unity sacco in Kenya.

2.4 Conceptual Framework

The framework below is adopted in the study to show the relationship between independent and dependent variables. The following variable has some relation with the challenges affecting the growth of cooperatives societies in Kenya.

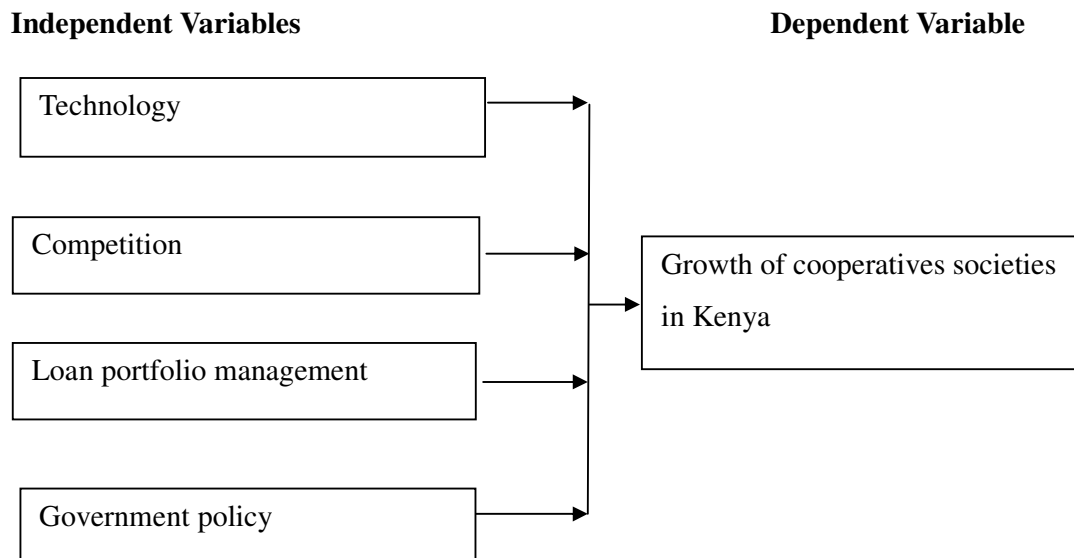


Figure 2.1 Conceptual framework

2.5 Operationalization of Variables

Table 2. 1 Operationalization of Variables

Variables	Type of Variable	Operationalization	Measurement
Technology	Independent	Computer Hardware Computer Software Connected to internet Have a society website	Nominal
Competition	Independent	Marketing efforts Market intelligences Customer care	Nominal
Loan portfolio management	Independent	Customers for repayment Interest rates earned Loan default Opportunity cost	Nominal
Government policy	Independent	Legislation Licenses Corporate tax	Nominal
Growth of cooperatives societies	Dependent	No. of members Gross Income Share Capital Deposits	Ratio Scale

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

This chapter presents the methodology used in the study. It discusses methods used to gather information relevant to the hypothesis, which guides this study. It discusses aspects such as research design, target population, sampling design and sample size, data collection methods and procedure of data analysis employed in the study.

3.2 Research Design

The study will employ Cross-sectional study which is simple in design and is aimed at finding out the prevalence of a phenomenon, problem, attitude or issue by taking a snap-shot or cross-section of the population. This obtains an overall picture as it stands at the time of the study.

Cross-sectional studies involve data collected at a defined time. They are often used to assess the prevalence of acute or chronic conditions, or to answer questions about the causes of disease or the results of intervention. According to Lee, James (1994) they may also be described as censuses. Cross-sectional studies may involve special data collection, including questions about the past, but they often rely on data originally collected for other purposes. They are moderately expensive, and are not suitable for the study of rare diseases. Difficulty in recalling past events may also contribute bias.

3.3 Target Population

Kombo and Tramp (2006) characterizes target population as all inclusive arrangement of the investigation of all individuals from genuine or speculative arrangement of individuals, occasions or protests which a researcher wishes to sum up the outcomes and make references. The study targeted a population of forty nine (49) representatives working at k unity sacco.

Table 3.1 Target Population

Category	Target Population	Percentage
Management	3	6%
Supervisors	7	14%
Support staff	39	80%
Total	49	100%

Source: K unity Sacco, (2018)

3.4 Census study

According to Kothari, (2005) a census is a study of every unit, everyone or everything, in a population. It is known as a complete enumeration, which means a complete count. A census is often construed as the opposite of a sample as its intent is to count everyone in a population rather than a fraction. Census was used because the group was small to be sampled and the researcher wants each member of the target population to have an equal chance of participating in the study.

3.4 Instruments

The study used primary data which target the employees of the organization and its management under study. The questionnaires were completed by key decision makers involved in the human resource management. Bee, (2002) notes that use of questionnaire ensured that confidentiality is upheld, saves on time, it is very easy to administer. The questionnaires included organized and unstructured inquiries and were directed through drop and pick strategy to respondents who are the representatives of the firm. The organized inquiries were utilized as a part of a push to save time and cash and in addition to encourage in less demanding examination as they are in quick usable frame; while the unstructured inquiries wasutilized in order to urge the respondent to surrender inside and out and felt reaction without feeling kept down in uncovering of any data.

3.5 Pilot Study

Piloting is done to test the validity and reliability of the instruments. Validity demonstrated how much the instrument measures develop under scrutiny (Mugenda&Mugenda2003). Validity was accomplished by the help of master sentiment who was the administrator. The instruments were utilized to distinguish and

change any equivocal, ungainly, or hostile inquiries and system as accentuated by (KIM, 2009). Reliability then again alludes to a measure of how much research instruments yield predictable outcomes (Mugenda & Mugenda, 2003). In this examination, reliability was scolded by pre-testing the questionnaire with a choice from non-respondent. The discoveries of the pilot study won't be incorporated into the last findings.

3.6 Data Collection Procedure

The researcher administered the research instruments individually to the staff upon authority. While exercising care and control to ensure all questionnaires to be issued to the respondents are received, the researcher maintained a register of questionnaires, which was administered and those which were received. KIM (2009) goes further to say that piloting is important as it helps the researcher to identify misunderstanding ambiguities and useless or inadequate items. Therefore, the researcher got rid of unclear items on the research instrument for the final study.

3.7 Data Analysis and Presentation

Monette, Sullivan, and DeJong, (2013) define data analysis as the process of systematically searching and arranging field findings for presentation. The researcher used both descriptive and Pearson's correlation inferential statistics

Statistical Package of Social Sciences (SPSS) software was used to analyze qualitative data where tables with frequencies and percentages was generated and critical analysis and description of the outcome made accordingly. It involved working with data, coding data, organizing, breaking into manageable units, synthesizing, searching for patterns, discovering what's important and deciding what to tell others.

Inferential statistics was used to generalize and draw inferences from the sample data to the entire study area. Inferential statistics was in the form of factor analysis, that is, Pearson correlation. Organized and coded data used for cross tabulations to generate frequency distribution tables and percentages. Processing and Analysis, the guiding principle in data analysis for this study was based on whether the data will qualitative or quantitative. The collected raw data particularly the qualitative ones were first coded for ease of translation into quantitative data and thereafter analyzed and tabulated using SPSS. Variables was defined and frequencies

run on the version 23- SPSS software and finally exported to Excel to facilitate generation of tables and figures for data analysis.

To test and analyze the quantitative data, a multiple regression model was used as laid below where the independent variables were regressed against the dependent variable to obtain inferential results. The use of multiple regression models is preferred due to its ability to show whether there is a positive or a negative relationship between independent and dependent variables. In addition, multiple regressions was useful in showing linear elasticity/sensitivity between independent and dependent variables (Cohen, West & Aiken, (2003)

Also, multiple regressions were useful in showing whether the identified linear relationship is significant or not. A regression coefficient with a p-value of less than 0.05 indicates the variables shift of: technology, competition, loan portfolio management and government policy. Therefore, the study used the following model to test growth of cooperatives societies in Kenya.

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Where

Y = on the growth of cooperatives societies in Kenya (dependent variable)

β_0 = Intercept

$\beta_1 - \beta_4$ are Coefficients of the independent variables

X_1 = technology

X_2 = competition

X_3 = loan portfolio management

X_4 = government policy

ε : Error term, which is assumed to be normally distributed with mean zero and constant variance.

3.8 Ethical Considerations

Confidentiality of the data to be gathered through the questionnaires and anonymity of the respondents was guaranteed. The respondents were required to compose their names on the questionnaires. The secondary data gathered from outer sources were

not modified, kept confidential and was utilized with the end goal of this examination only. The respondent consent was looked for and they were not compelled to respond to the questions on the off chance that they were not willing to do as such.

3.8.1 Informed Consent

Before conducting the research, the researcher did a pre visit to the organization and sought information from the organization management. The researcher was involved the management on the extent and what information the researchers seek.

3.8.2 Voluntary Participation

The research was voluntary and non of the respondent was cowered to take part in the research however the researcher took time to explain to the respondents the importance of this research to them and to the research and any participation was highly appreciated.

3.8.3 Confidentiality

All data that was collected in the organization was only for education purpose and no information was reproduced without the consent of the organization and the researcher.

3.8.4 Privacy

The respondents were assured that the information they shared was confidential and all respondents were not allowed to give their personal details and all information was coded.

3.8.5 Anonymity

A “strictly anonymous” study design is one in which it is impossible to trace data or information back to the research subject from whom it was obtained. In other words, the data cannot be identified to any particular research participant, not even by the researcher. The research did a total separation, the study design involved in the creation of a code linking the subject’s identity to a pseudonym, as the identity of the subject can be traced to the data, written consent form was collected, and this consent form has to be separated from the data that the subject provides.

3.9 Chapter Summary

This research methodology chapter provides a research methodology; research, target population, sample and sampling technique, instruments, pilot study, data collection procedure, data analysis and presentation, ethical considerations and chapter summary. The next chapter provides the research findings and discussion that were used by the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter covers data analysis and interpretation of findings. The chapter addresses the general information about respondents, the findings generated from the study, descriptive and inferential statistics.

4.1 Presentation of Research Findings

4.1.1 Response Rate

A total of 45 respondents were involved in the study from which 41 of the respondents filled the questionnaire and returned with a percentage rate of 91% whereas 9% of questionnaires were not returned. For this reason, the study established that the response rate was considered excellent.

4.1.2 Gender of respondents

Table 4.1 Gender of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	male	27	54.0	55.1	55.1
	female	22	44.0	44.9	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

The respondents were asked to indicate their response on gender According to the findings, 55% of the respondents were male while 45% were female respondents and was shown on table 4.1. The interpretation derived from the study revealed that there was gender balance.

4.1.3 Educational level of respondents

Table 4.2 Education Levels of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Secondary	9	18.0	18.4	18.4
	College	19	38.0	38.8	57.1
	University	15	30.0	30.6	87.8
	Others	6	12.0	12.2	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Based on the research findings from table 4.2 the respondents were asked to indicate their level of education According to the findings, 38.8 of the respondents had college diplomas, 18.4% had secondary education, 30.6% of the respondents had university degrees and 12.2% of the respondents had other qualifications. This indicates that most of the respondents had college education.

4.1.3 Work Experience

Table 4.3 Years of Work Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 1 year	1	2.0	2.0	2.0
	1- 6 years	22	44.0	44.9	46.9
	7-11 years	18	36.0	36.7	83.7
	Above 12 years	8	16.0	16.3	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Based on the research findings from table 4.3 the respondents were asked to indicate the work experience in form of years. According to the findings, 2.0% of the respondents had less than 1 years of experience, 44.9% were between 1 to 6 years, 36.7 % of the respondents were between 7 to 11 years, and 16.3% of the respondents were above 12 years.

4.1.3 Technology

Table 4.4 ICT enhancements of productivity and improved information about new opportunities

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	5	10.0	10.2	10.2
disagree	7	14.0	14.3	24.5
Neutral	7	14.0	14.3	38.8
Agree	12	24.0	24.5	63.3
Strongly Agree	18	36.0	36.7	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.4 indicates that the majority 36.7% of the respondents strongly agree ICT enhancements of productivity and improved information about new opportunities, 24.5% agree ICT enhancements of productivity and improved information about new opportunities, 14.3% of the respondents disagree ICT enhancements of productivity and improved information about new opportunities, 14.3% were undecided whether ICT enhancements of productivity and improved information about new opportunities, while 10.2% strongly disagree that ICT enhancements of productivity and improved information about new opportunities. From the findings majority felt that ICT enhancements of productivity and improved information about new opportunities. This research finding concurs with (Kotler, 2004) that stated New innovations make new businesses What's more opportunities; furthermore each new technology organization replaces a more seasoned innovation

Table 4.4 Computerization has improved loans disbursement and loans recovery

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	10	20.0	20.4	20.4
	disagree	7	14.0	14.3	34.7
	Neutral	6	12.0	12.2	46.9
	Agree	11	22.0	22.4	69.4
	Strongly Agree	14	28.0	28.6	98.0
	44.00	1	2.0	2.0	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Table 4.4 indicated that the Majority 28.6% of the Strongly agree Computerization has improved loans disbursement and loans recovery, 12.2% indicated neutral effect on Computerization has improved loans disbursement and loans recovery, 14.3% disagree Computerization has improved loans disbursement and loans recovery. While 20.4% strongly disagree Computerization has improved loans disbursement and loans recovery. 22.4% agreed that Computerization has improved loans disbursement and loans recovery.

Table 4.5 Technology is a challenge to growth of my Sacco

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	2	4.0	4.1	4.1
	disagree	5	10.0	10.2	14.3
	Neutral	13	26.0	26.5	40.8
	Agree	9	18.0	18.4	59.2
	Strongly Agree	19	38.0	38.8	98.0
	33.00	1	2.0	2.0	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Table 4.5 indicated that the majority 38.8% of the respondents strongly agree that Technology is a challenge to growth of my Sacco, 18.4% agree that Technology is a

challenge to growth of my Sacco, 26.5% respondents were neutral/ undecided whether Technology is a challenge to growth of my Sacco, 4.1% strongly disagree Technology is a challenge to growth of my Sacco. While 10.2% disagreed Technology is a challenge to growth of my Sacco the findings concur (Hollensen, 2003) The specialist in this instance will research the impact it looking into Growth and secure the reason a portion social orders have embraced it On whatsoever it need An sure impact once development. Over a aggressive market, parts will progressively search suppliers who serve them best. Rivalry was the circumstance for which people alternately associations contend with one another to something that not everybody might bring.

Table 4.6 Errors and differences in records are easily corrected, and reconciliations done on time

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	7	14.0	14.3	14.3
disagree	5	10.0	10.2	24.5
Valid Neutral	9	18.0	18.4	42.9
Agree	12	24.0	24.5	67.3
Strongly Agree	16	32.0	32.7	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.6 indicated that the majority 32.7% of the respondents strongly agree that Errors and differences in records are easily corrected, and reconciliations done on time, 24.5% agree that Errors and differences in records are easily corrected, and reconciliations done on time, 18.4% respondents were neutral/ undecided whether Errors and differences in records are easily corrected, and reconciliations done on time, 14.3% strongly disagree Errors and differences in records are easily corrected, and reconciliations done on time. While 10.2% disagreed Errors and differences in records are easily corrected, and reconciliations done on time the findings concur (Manyara, 2003) It incorporates a blending about knowledge, majority of the data Furthermore plans.

4.1.3 Competition

Table 4.7 Banks have variety of loan products and services than the SACCO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	7	14.0	14.3	14.3
	disagree	8	16.0	16.3	30.6
	Neutral	7	14.0	14.3	44.9
	Agree	12	24.0	24.5	69.4
	Strongly Agree	15	30.0	30.6	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Table 4.7 indicated that majority 30.6% strongly agree that banks have variety of loan products and services than the Sacco while 24.5% agreed that Banks have variety of loan products and services than the SACCO. 14.3% were neutral or undecided whether banks have variety of loan products and services than the SACCO. 16.3% disagree Banks have variety of loan products and services than the SACCO at all while 14.3% strongly disagree Banks have variety of loan products and services than the SACCO. This study finding concurs with Okungu et al (2014) that noted benefits through the web. SACCO's are obliged on be adaptable the point when managing parts requests.

Table 4.8 Bank employees demonstrate high level of competence when serving customers as compared tithe SACCO

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	10	20.0	20.4	20.4
	disagree	9	18.0	18.4	38.8
	Neutral	10	20.0	20.4	59.2
	Agree	6	12.0	12.2	71.4
	Strongly Agree	14	28.0	28.6	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Table 4.8 indicated the majority 28.6% of the respondents strongly agree Bank employees demonstrate high level of competence when serving customers as compared to the SACCO, 12.2% of the respondents agree bank employees demonstrate high level of competence when serving customers as compared to the SACCO, 20.4% were neutral on Bank employees demonstrate high level of competence when serving customers as compared to the SACCO, 20.4% strongly disagree bank employees demonstrate high level of competence when serving customers as compared to the SACCO. From the findings majority were in agreement that Bank employees demonstrate high level of competence when serving customers as compared to the SACCO.

Table 4.9 SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid strongly disagree	11	22.0	22.4	22.4
disagree	8	16.0	16.3	38.8
Neutral	8	16.0	16.3	55.1
Agree	13	26.0	26.5	81.6
Strongly Agree	9	18.0	18.4	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.9 indicated that the Majority 26.5% of the agree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered, 16.3% indicated neutral effect on SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered, 16.3% disagree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered while 18.4% strongly agree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered. 22.4% strongly disagreed that SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered. The study concurs with Kabugu (2014) Previously, An investigation carried clinched alongside

Murang'a Kenya regarding those impacts from claiming business banks on SACCO demonstrated that unsecured business bank loans required a impact once SACCO enrollment.

Table 4.9My SACCO has credit policies and guidelines which is strictly applied when giving loans

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	2	4.0	4.1	4.1
disagree	7	14.0	14.3	18.4
Valid Neutral	13	26.0	26.5	44.9
Agree	7	14.0	14.3	59.2
Strongly Agree	20	40.0	40.8	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table4.9 indicate that the majority 40.3% of the respondents strongly agree their SACCO has credit policies and guidelines which is strictly applied when giving loans, 14.3% agree their SACCO has credit policies and guidelines which is strictly applied when giving loans, 26.5% of the respondents were neutral or not sure whether their SACCO has credit policies and guidelines which is strictly applied when giving loans 14.3% of the respondents still disagree their SACCO has credit policies and guidelines which is strictly applied when giving loans, while 4.1% strongly disagree that Their SACCO has credit policies and guidelines which is strictly applied when giving loans. From the findings majority felt that the church has not achieved the strategic goals set in each planning period. This research finding concurs with (John Stott, 1990)It might have been further created that parts benefited starting with the rivalry the middle of banks What's more SACCO since 45. 14% concurred what are more 6. 49% determinedly concurred that it might have been notwithstanding simpler with acquire credits starting with SACCO.

4.1.4 Loan Portfolio Management

Table 4.10 My SACCO monitors loans given to members to ensure periodical repayment

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	4	8.0	8.2	8.2
Neutral	21	42.0	42.9	51.0
Valid Agree	14	28.0	28.6	79.6
Strongly Agree	10	20.0	20.4	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.10 indicated that the majority 42.9% of the respondents were not sure if their SACCO monitors loans given to members to ensure periodical repayment, 8.3% disagree their SACCO monitors loans given to members to ensure periodical repayment, and 28.6% disagree their SACCO monitors loans given to members to ensure periodical repayment while 20.4% strongly agree the their SACCO monitors loans given to members to ensure periodical repayment. 28.6% agree that their SACCO monitors loans given to members to ensure periodical repayment. Majority of the respondents felt that their SACCO monitors loans given to members to ensure periodical repayment.

Table 4.11 When member fails to repay loans recovery procedures are instituted immediately.

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	3	6.0	6.1	6.1
Neutral	11	22.0	22.4	28.6
Valid Agree	12	24.0	24.5	53.1
Strongly Agree	23	46.0	46.9	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.11 indicated that majority 46.9% of the respondents agreed that when member fails to repay loans recovery procedures are instituted immediately, 22.4% were

neutral/undecided that when member fails to repay loans recovery procedures are instituted immediately, 6.1% disagree that when member fails to repay loans recovery procedures are instituted immediately. While 24.5% strongly agree that when member fails to repay loans recovery procedures are instituted immediately.

4.1.4 Government Policy

Table 4.11The commercial banks’ acquisition of clients in theca-operative sub-sector has created ripples in the business

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	3	6.0	6.1	6.1
disagree	8	16.0	16.3	22.4
Valid Neutral	15	30.0	30.6	53.1
Agree	12	24.0	24.5	77.6
Strongly Agree	11	22.0	22.4	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.11 indicated that the majority 30.6% of the respondents were not sure if the commercial banks’ acquisition of clients in theca-operative sub-sector has created ripples in the business, 6.1% strongly disagree, and 16.3 % disagree The commercial banks’ acquisition of clients in theca-operative sub-sector has created ripples in the business while 22.4% strongly agree the commercial banks’ acquisition of clients in theca-operative sub-sector has created ripples in the business. 24.5% agree that the commercial banks’ acquisition of clients in theca-operative sub-sector has created ripples in the business. This research findings concur with (Ledgerwood, 1999) that statedmicrofinance works following turned practicable those fiscal strategies consolidated together with need aid bound administrative surroundings due to microfinance need transformed inside huge build What's more degree In microfinance.

Table 4.12The performance of SACCO is declining and this has been attributed to competitive pressures

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	2.0	2.0	2.0
	disagree	14	28.0	28.6	30.6
	Neutral	14	28.0	28.6	59.2
	Agree	7	14.0	14.3	73.5
	Strongly Agree	13	26.0	26.5	100.0
	Total	49	98.0	100.0	
Missing	System	1	2.0		
Total		50	100.0		

Table 4.12 indicate that the majority 28.6% of the respondents were not sure if The performance of SACCO is declining and this has been attributed to competitive pressures, 14.3% agree The performance of SACCO is declining and this has been attributed to competitive pressures, 26.5% strongly agree The performance of SACCO is declining and this has been attributed to competitive pressures 28.6% of the respondents still disagree The performance of SACCO is declining and this has been attributed to competitive pressures, while 2.0% strongly disagree that The performance of SACCO is declining and this has been attributed to competitive pressures. From the findings majority felt that the church has not achieved the strategic goals set in each planning period. This research findings concur with . Hart et al (2000) report card on the sway of the neighborhood Undertakings advancement unit done Northern Ireland uncovers that a change for strategy in that association brought about distinctive methodology of the procurement for fiscal support to little types

Table 4.13 SACCO are required to invest in marketing and promotion which include personal selling

	Frequency	Percent	Valid Percent	Cumulative Percent
disagree	8	16.0	16.3	16.3
Neutral	12	24.0	24.5	40.8
Valid Agree	14	28.0	28.6	69.4
Strongly Agree	15	30.0	30.6	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.12 indicate that the majority 30.6% of the respondents were strongly agree SACCO are required to invest in marketing and promotion which include personal selling, 28.6% agree SACCO are required to invest in marketing and promotion which include personal selling, 24.5% not sure if SACCO are required to invest in marketing and promotion which include personal selling, 16.3% of the respondents still disagree SACCO are required to invest in marketing and promotion which include personal selling, while 2.0% strongly disagree that SACCO are required to invest in marketing and promotion which include personal selling. From the findings majority felt that the SACCO are required to invest in marketing and promotion which include personal selling.

Table 4.14 SACCO's are required to be flexible when dealing with members demands

	Frequency	Percent	Valid Percent	Cumulative Percent
strongly disagree	1	2.0	2.0	2.0
disagree	9	18.0	18.4	20.4
Valid Neutral	12	24.0	24.5	44.9
Agree	15	30.0	30.6	75.5
Strongly Agree	12	24.0	24.5	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

Table 4.14 indicated that majority 30.6% agree that that SACCO's are required to be flexible when dealing with members demands while 24.5% strongly agreed that SACCO's are required to be flexible when dealing with members demands. 24.5% were neutral, 18.4% disagree SACCO's are required to be flexible when dealing with members demands at all while 2.0% strongly disagree SACCO's are required to be flexible when dealing with members demands.

4.1.5 Sacco Growth

Table 4.15No. of members

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Greatly Improved	8	16.0	16.3	16.3
Improved	12	24.0	24.5	40.8
Valid Constant	11	22.0	22.4	63.3
Decreasing	13	26.0	26.5	89.8
Greatly decreased	5	10.0	10.2	100.0
Total	49	98.0	100.0	
Missing System	1	2.0		
Total	50	100.0		

The respondents rating on the number of member on the growth, The findings shows that 16.3% of the respondents stated the number of member at the Sacco had greatly improved, 24.5% of the respondents indicated that it had improved, 22.4% indicated the number of member had remained constant, 26.5% indicated the number of member had decreased and 10.2% of the respondents stated the number of members in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to number of member had decreased.

Table 4.16 Gross Income

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Greatly Improved	13	26.0	26.5	26.5
Improved	1	2.0	2.0	28.6
Constant	15	30.0	30.6	59.2
Decreasing	6	12.0	12.2	71.4
Greatly decreased	14	28.0	28.6	100.0
Total	49	98.0	100.0	
Missing				
System	1	2.0		
Total	50	100.0		

The respondents rating on the gross income on the growth, The findings shows that 26.5% of the respondents stated the gross income at the Sacco had greatly improved, 2.0% of the respondents indicated that it had improved, 30.6% indicated the gross income had remained constant, 12.3% indicated the gross income had decreased and 28.6% of the respondents stated the gross income in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to gross income had remained constant.

Table 4.17 Deposits

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid				
Greatly Improved	4	8.0	8.2	8.2
Improved	23	46.0	46.9	55.1
Constant	12	24.0	24.5	79.6
Decreasing	5	10.0	10.2	89.8
Greatly decreased	5	10.0	10.2	100.0
Total	49	98.0	100.0	
Missing				
System	1	2.0		
Total	50	100.0		

The respondents rating on the deposits on the growth. The findings shows The respondents rating on the deposits on the growth, The findings shows that 8.2% of the respondents stated the gross income at the Sacco had greatly improved, 46.9% of the

respondents indicated that it had improved, 24.5% indicated the deposits had remained constant, 10.2% indicated the deposits had decreased and 10.2% of the respondents stated the deposits in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to deposits had improved.

4.1.6 Correlation Analysis

The correlation analysis shows the association between the independent and dependent variables. Therefore, Pearson moment correlation was used to determine those associations between technology, competition, loan portfolio management and government policy and growth of cooperatives societies in Kenya. The findings presentations were shown on table 4.8.

The results unconcealed that, statistically vital $p = 0.002 < 0.01$; there was a correlation between Government policy and Growth of cooperatives societies in Kenya as shown by $r = 0.804$, statistically vital $P = 0.000$; there was a correlation between Loan portfolio management and Growth of cooperatives societies in Kenya as shown by $r = 0.789$, statistically vital $P = 0.002$; there was a positive correlation between Competition and Growth of cooperatives societies in Kenya as shown by $r = 0.845$, statistically vital $P = 0.000$. This means that Technology, Competition, Loan portfolio management and Government policy with Growth of cooperatives societies in Kenya are connected.

Table 4.18: Correlations

			Growth of cooperatives societies Technology	Competition	Loan portfolio management	Government policy
Growth of cooperatives societies in Kenya	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	41				
Technology	Pearson Correlation	.754**	1			
	Sig. (2-tailed)	.001				
	N	41	41			
Competition	Pearson Correlation	.804**	.342	1		
	Sig. (2-tailed)	.000	.061			
	N	41	41	41		
Loan portfolio management	Pearson Correlation	.789**	.434	.545	1	
	Sig. (2-tailed)	.002	.056	.057		
	N	41	41	41	41	
Government policy	Pearson Correlation	.845**	.282	.421	.286	1
	Sig. (2-tailed)	.000	.097	.065	.187	
	N	41	41	41	41	41

** . Correlation is significant at the 0.01 level (2-tailed).

4.1.7 Regression Analysis

Model Summary

Model outline is employed to analyze the variation of variable thanks to the changes of independent variables. The study analyzed the variations of Growth of cooperatives societies in Kenya due to the Technology, Competition, and Loan portfolio management rates and Government policy. Adjusted R squared was 0.629; this suggests that there was 62.9% variation of Growth of cooperatives societies in Kenya, thanks to the changes of technology, competition, loan portfolio management loan portfolio management, and government policy. The remaining 37.1% imply that there

are alternative factors that result in Growth of cooperatives societies in Kenya which weren't discussed in the study. R is the correlation coefficient that shows the connection between the study variables. From the findings, the study found that there was a powerful positive relationship between the study variables as shown by 0.799.

Table 4.19: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799 ^a	0.638	0.629	0.00437

Analysis of Variance

In descriptive study, the analysis of variance being ANOVA shows the significance of data. The data processed from ANOVA being the population parameters had a level of 0.0001 which is significant and shows the data was ideal to make appropriate conclusion about the population parameters considering that the value of significance (p-value was less than 5%. The calculated F was greater than F critical being (190.943<2.410) this was depicted Technology, the Competition, Loan portfolio management, Competition significantly influence Growth of cooperatives societies in Kenya.

Table 4.20 Analysis of variance

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	18.454	4	4.614	190.943	.002 ^b
	Residual	5.678	235	0.024		
	Total	24.132	239			

Coefficients

The regression equation was

$$Y = 0.934 + 0.465 X_1 + 0.779 X_2 + 0.589 X_3 + 0.665 X_4$$

The equation above reveals that holding technology, competition, loan portfolio management, competition significantly influence growth of cooperatives societies in Kenya as shown by constant = 0.934.

Technology is statistically significant to growth of cooperatives societies in Kenya as shown by ($\beta = 0.465$, $P = 0.019$). This shows that Technology had significant positive relationship with growth of cooperatives societies in Kenya. This implies that a unit increase in technology will result to increase in growth of cooperatives societies in Kenya.

Government policy is statistically significant to growth of cooperatives societies in Kenya as shown by ($\beta = 0.779$, $p = 0.003$). This indicates that government policy had significant positive relationship with growth of cooperatives societies in Kenya. This implies that a unit increase in government policy will result to increase in growth of cooperatives societies in Kenya.

Loan portfolio management is statistically significant to Growth of cooperatives societies in Kenya as shown by ($\beta = 0.589$, $P = 0.008$). This shows that Loan portfolio management had significant positive relationship with Growth of cooperatives societies in Kenya. This implies that a unit increase in Loan portfolio management will result to increase in Growth of cooperatives societies in Kenya.

Government policy is statistically significant to Growth of cooperatives societies in Kenya as shown by ($\beta = 0.665$, $P = 0.001$). This implies that Government policy had significant positive relationship with Growth of cooperatives societies in Kenya. This shows that a unit increase in Competition will result to increase in Growth of cooperatives societies in Kenya.

Table 4.21: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.934	0.186		5.022	0.010
Technology	0.465	0.104	0.231	4.471	0.019
Competition	0.779	0.113	0.303	6.894	0.003
Loan portfolio management	0.589	0.088	0.186	6.693	0.008
Government policy	0.665	0.096	0.219	6.927	0.001

4.2 Limitations of Study

4.2.1 Bureaucracy

Organizations have various procedures that are outlined publicly to govern movement of people to the organization and from the organization. However some procedures are usually too tedious to the dislike of visitors/researchers. This was characterized by long procedures and regulations that were expected to be followed. Despite such challenges, the researcher was adequately prepared to abide by all the regulations so that a successful research study could be carried out.

4.2.2 Inaccessibility to the Company

The researcher had initially been denied access based on the restrictive policies against external researchers and especially private research studies. This was due to the recorded history of exploring and exposing inefficiencies in various organizations. However, the researcher overcame this challenge by using an introduction letter from Management University of Africa which showed the purpose of this study so that gaining accessibility could be achieved.

4.2.3 Lack of Cooperation

The researcher still experienced challenges on lack of cooperation. Some of the staff within this organization had reluctantly declined to participate in this research in pretence of not very genuine reasons. As a result, quite a number of respondents would have failed to provide the data. However, to counter this challenge, the researcher had to assure the respondents that this study was only covering the academic goals.

4.3 Chapter Summary

This chapter was about data analysis. The chapter first introduces information about information from the respondents in terms, gender of Respondents, Years of work experience of respondents and Education Level of Respondents. The chapter was further categorized in to quantitative analysis that revolved around discussing the objectives of the study and Reliability Analysis Inferential Statistics this is Correlation Analysis, Regression Analysis and the Coefficients. The chapter also addressed the limitations of the study.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

This chapter presented a summary on findings, conclusion and recommendations. This was based on factors affecting growth of cooperatives societies in Kenya on a case study K Unity Sacco.

5.1 Summary of Findings

5.1.1 What is the effect of technology on the growth of cooperatives societies in Kenya with reference to K unity?

The findings indicated majority 36.7% of the respondents strongly agree ICT enhancements of productivity and improved information about new opportunities, 24.5% agree ICT enhancements of productivity and improved information about new opportunities, 14.3% of the respondents disagree ICT enhancements of productivity and improved information about new opportunities, 14.3% were undecided whether ICT enhancements of productivity and improved information about new opportunities, while 10.2% strongly disagree that ICT enhancements of productivity and improved information about new opportunities. From the findings majority felt that ICT enhancements of productivity and improved information about new opportunities. This research finding concurs with (Kotler, 2004) that stated New competitions make new businesses What's more opportunities; furthermore each new technology organization replaces a more seasoned competition

The findings indicated majority 28.6% of the Strongly agree Computerization has improved loans disbursement and loans recovery, 12.2% indicated neutral effect on Computerization has improved loans disbursement and loans recovery, 14.3% disagree Computerization has improved loans disbursement and loans recovery. While 20.4% strongly disagree Computerization has improved loans disbursement and loans recovery. 22.4% agreed that Computerization has improved loans disbursement and loans recovery.

The findings indicated the majority 38.8% of the respondents strongly agree that Technology is a challenge to growth of my Sacco, 18.4% agree that Technology is a challenge to growth of my Sacco, 26.5% respondents were neutral/ undecided whether Technology is a challenge to growth of my Sacco, 4.1% strongly disagree

Technology is a challenge to growth of my Sacco. While 10.2% disagreed Technology is a challenge to growth of my Sacco the findings concur (Hollensen, 2003) The specialist in this instance will research the impact it looking into Growth and secure the reason a portion social orders have embraced it On whatsoever it need An sure impact once development. Over a aggressive market, parts will progressively search suppliers who serve them best. Rivalry was the circumstance for which people alternately associations contend with one another to something that not everybody might bring.

The findings indicated that majority 32.7% of the respondents strongly agree that Errors and differences in records are easily corrected, and reconciliations done on time, 24.5% agree that Errors and differences in records are easily corrected, and reconciliations done on time, 18.4% respondents were neutral/ undecided whether Errors and differences in records are easily corrected, and reconciliations done on time, 14.3% strongly disagree Errors and differences in records are easily corrected, and reconciliations done on time. While 10.2% disagreed Errors and differences in records are easily corrected, and reconciliations done on time the findings concur (Manyara, 2003) It incorporates a blending about knowledge, majority of the data Furthermore plans.

5.1.2 How does competition on growth of cooperatives societies with reference to K unity?

The findings indicated that majority 30.6% strongly agree that banks have variety of loan products and services than the Sacco while 24.5% agreed that Banks have variety of loan products and services than the SACCO. 14.3% were neutral or undecided whether banks have variety of loan products and services than the SACCO. 16.3% disagree Banks have variety of loan products and services than the SACCO at all while 14.3% strongly disagree Banks have variety of loan products and services than the SACCO. This study finding concurs with Okungu et al (2014) that noted benefits through the web. SACCO's are obliged on be adaptable the point when managing parts requests.

The findings indicated majority 28.6% of the respondents strongly agree Bank employees demonstrate high level of competence when serving customers as

compared to the SACCO, 12.2% of the respondents agree bank employees demonstrate high level of competence when serving customers as compared to the SACCO 20.4% were neutral on Bank employees demonstrate high level of competence when serving customers as compared to the SACCO, 20.4% strongly disagree bank employees demonstrate high level of competence when serving customers as compared to the SACCO. From the findings majority were in agreement that Bank employees demonstrate high level of competence when serving customers as compared to the SACCO.

The findings indicated majority 26.5% of the agree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered, 16.3% indicated neutral effect on SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered, 16.3% disagree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered while 18.4% strongly agree SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered. 22.4% strongly disagreed that SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered. The study concurs with Kabugu (2014) Previously, An investigation carried out alongside Murang'a Kenya regarding the impacts from claiming business banks on SACCO demonstrated that unsecured business bank loans required an impact once SACCO enrolment.

The findings indicated majority 40.3% of the respondents strongly agree their SACCO has credit policies and guidelines which is strictly applied when giving loans, 14.3% agree their SACCO has credit policies and guidelines which is strictly applied when giving loans, 26.5% of the respondents were neutral or not sure whether their SACCO has credit policies and guidelines which is strictly applied when giving loans 14.3% of the respondents still disagree their SACCO has credit policies and guidelines which is strictly applied when giving loans, while 4.1% strongly disagree that Their SACCO has credit policies and guidelines which is strictly applied when giving loans. From the findings majority felt that the church has not achieved the strategic goals set in each planning period. This research finding concurs with (John Stott, 1990) It might have been further created that parts benefited starting with the

rivalry the middle of banks What's more SACCO since 45. 14% concurred what are more 6. 49% determinedly concurred that it might have been notwithstanding simpler with acquire credits starting with SACCO.

5.1.3 To what extent does loan portfolio management affect the growth of K unit cooperative societies in Kenya?

The findings indicated that the majority 42.9% of the respondents were not sure if their SACCO monitors loans given to members to ensure periodical repayment, 8.3% disagree their SACCO monitors loans given to members to ensure periodical repayment, and 28.6% disagree their SACCO monitors loans given to members to ensure periodical repayment while 20.4% strongly agree the their SACCO monitors loans given to members to ensure periodical repayment. 28.6% agree that their SACCO monitors loans given to members to ensure periodical repayment. Majority of the respondents felt that their SACCO monitors loans given to members to ensure periodical repayment.

The findings indicated that majority 46.9% of the respondents agreed that when member fails to repay loans recovery procedures are instituted immediately, 22.4% were neutral/undecided that when member fails to repay loans recovery procedures are instituted immediately, 6.1% disagree that when member fails to repay loans recovery procedures are instituted immediately. While 24.5% strongly agree that when member fails to repay loans recovery procedures are instituted immediately.

5.1.4 In what way does government policy affect the growth of K unit cooperative societies in Kenya?

The findings indicated majority 30.6% of the respondents were not sure if the commercial banks' acquisition of clients in theca-operative sub-sector has created ripples in the business, 6.1% strongly disagree, and 16.3 % disagree The commercial banks' acquisition of clients in theca-operative sub-sector has created ripples in the business while 22.4% strongly agree the commercial banks' acquisition of clients in theca-operative sub-sector has created ripples in the business. 24.5% agree that the commercial banks' acquisition of clients in theca-operative sub-sector has created ripples in the business. This research findings concur with (Ledgerwood, 1999) that statedmicrofinance works following turned practicable those fiscal strategies

consolidated together with need aid bound administrative surroundings due to microfinance need transformed inside huge build What's more degree In microfinance.

The findings indicated majority 28.6% of the respondents were not sure if The performance of SACCO is declining and this has been attributed to competitive pressures, 14.3% agree The performance of SACCO is declining and this has been attributed to competitive pressures, 26.5% strongly agree The performance of SACCO is declining and this has been attributed to competitive pressures 28.6% of the respondents still disagree The performance of SACCO is declining and this has been attributed to competitive pressures, while 2.0% strongly disagree that The performance of SACCO is declining and this has been attributed to competitive pressures. From the findings majority felt that the church has not achieved the strategic goals set in each planning period. This research findings concur with . Hart et al (2000) report card on the sway of the neighbourhood Undertakings advancement unit done Northern Ireland uncovers that a change for strategy in that association brought about distinctive methodology of the procurement for fiscal support to little types

The findings indicated majority 30.6% of the respondents were strongly agree SACCO are required to invest in marketing and promotion which include personal selling, 28.6% agree SACCO are required to invest in marketing and promotion which include personal selling, 24.5% not sure if SACCO are required to invest in marketing and promotion which include personal selling, 16.3% of the respondents still disagree SACCO are required to invest in marketing and promotion which include personal selling, while 2.0% strongly disagree that SACCO are required to invest in marketing and promotion which include personal selling. From the findings majority felt that the SACCO are required to invest in marketing and promotion which include personal selling.

The findings indicated majority 30.6% agree that that SACCO's are required to be flexible when dealing with members demands while 24.5% strongly agreed that SACCO's are required to be flexible when dealing with members demands. 24.5% were neutral, 18.4% disagree SACCO's are required to be flexible when dealing with

members demands at all while 2.0% strongly disagree SACCO's are required to be flexible when dealing with members demands.

5.1.5 Growth of Sacco

The respondents rating on the number of member on the growth, The findings shows that 16.3% of the respondents stated the number of member at the Sacco had greatly improved, 24.5% of the respondents indicated that it had improved, 22.4% indicated the number of member had remained constant, 26.5% indicated the number of member had decreased and 10.2% of the respondents stated the number of members in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to number of member had decreased. The respondents rating on the gross income on the growth, The findings shows that 26.5% of the respondents stated the gross income at the Sacco had greatly improved, 2.0% of the respondents indicated that it had improved, 30.6% indicated the gross income had remained constant, 12.3% indicated the gross income had decreased and 28.6% of the respondents stated the gross income in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to gross income had remained constant. The respondents rating on the deposits on the growth, The findings shows The respondents rating on the deposits on the growth, The findings shows that 8.2% of the respondents stated the gross income at the Sacco had greatly improved, 46.9% of the respondents indicated that it had improved, 24.5% indicated the deposits had remained constant, 10.2% indicated the deposits had decreased and 10.2% of the respondents stated the deposits in the Sacco had greatly decreased. It can be concluded that Sacco growth in relation to deposits had improved.

5.2 Conclusion

The respondents were asked to give their opinion on whether technology influences the Growth of cooperatives societies in Kenya. Majority of the respondents were in agreement technology influences Growth of cooperatives societies in Kenya while only a few disagreed. This implies that technology influence the Growth of cooperatives societies in Kenya.

The respondents were asked to give their opinion on whether competition has an influence on Growth of cooperatives societies in Kenya. From the findings majority of respondents that competition has an influence on Growth of cooperatives societies

in Kenya. This implies that Competition has an influence on Growth of cooperatives societies in Kenya.

The respondents were asked to give their opinion on whether loan portfolio management affects growth of cooperatives societies in Kenya. The analysis shows most of respondents were in agreement that loan portfolio management has a great effect on the growth of cooperatives societies in Kenya. This implies that loan portfolio management has angrowth of cooperatives societies in Kenya.

The respondents were asked to give their opinion on whether Government policy has an influence on Growth of cooperatives societies in Kenya. From the findings majority of the respondents agreed that Government policy has an influence on Growth of cooperatives societies in Kenya while a few of the respondents disagreed. This implies that Government policy has an influence on Growth of cooperatives societies in Kenya.

5.3 Recommendations

The SACCOs particularly slow membership growing SACCO should strictly apply policies related to loan portfolio management to enable them reduce non performing loan and hence improve the overall liquidity. In Particular, they should insure the loans and institute effective measures to recover unpaid loans. This will help SACCOs to offer loans to members on timely basis and hence improve profitability, this attract more potential members.

The SACCOs should improve the quality of their services particularly efficiency of loan processing request and addressing members concerns in order to meet member's expectations and hence retain and attract potential members.

SACCOs generally face stiff competition from the commercial banks. To improve membership growth SACCOs should create product and services that meets member's expectations, improve the efficiency in loan processing, market their product aggressively and employ competent staff so as to win the confidence of the members and loyalty. This will help them market their SACCO hence increase membership.

5.4 Recommendations for further studies

This study tried only to explain if technology, competition, loan portfolio management and government policy influence growth of cooperatives societies in Kenya. However, there are other factors affecting the same, but not discussed in this study. This study therefore recommends that further study should be conducted on the effects of customer preference and taxation impact growth of cooperatives societies in Kenya.

Study should be done to find exactly the percentage of impact of Competition on SACCO growth. A comparative study is done to find out which between liquidity management and competition from other financial institution as greater more impact on SACCO growth.

5.5 Chapter summary

This chapter discussed the Summary of Findings especially about the effect of technology, competition, loan portfolio management and government policy influence growth of cooperatives societies in Kenya. The chapter also drew a conclusion and recommendation from the findings. Generally, the study aimed to evaluate factors affecting growth of cooperatives societies in Kenya.

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Appendix I:

Questionnaire

Serial No.....

The questionnaire is meant to collect information on the challenges affecting growth of cooperatives societies in Kenya a case study of K UNITY SACCO. Kindly answer the questions by writing a brief statement or ticking in the boxes provided as was applicable. The information provided was treated as strictly confidential and at no instance will your name be mentioned in this research. This research is intended for an academic purpose only.

SECTION A: GENERAL INFORMATION

1. Gender

Male []

Female []

2. What is the highest level of education you have attained?

Secondary []

College []

University []

Others (Specify) []

3. Work Experience

Below 1 year []

1.6 years []

7-11 years []

Above 12 years []

Above 10 years []

SECTION B: TECHNOLOGY

5. Kindly indicate the extent to which you agree with the following statements on the challenges affecting growth of cooperatives societies in Kenya? Key: 1 = strongly disagree; 2 = disagree; 3 Neutral; 4 = Agree; 5 = Strongly Agree.

No	Statement	1	2	3	4	5
	ICT enhancement of productivity and improved information about new opportunities					
	Computerization has improved loans disbursement and loans recovery					
	Technology is a challenge to growth of my Sacco					
	Errors and differences in records are easily corrected, and reconciliations done on time					

SECTION C: COMPETITION

7. Comment on the following statements about the how competition impacts growth of cooperatives societies in Kenya. Use a scale of 1-5 where: 1- Strongly disagree; 2- Disagree; 3- Neither agree or disagree; 4- Agree and 5- Strongly agree

No	Statement	1	2	3	4	5
	Banks have variety of loan products and services than the SACCO					
	Bank employees demonstrate high level of competence when serving customers as compared to the SACCO					
	SACCO's are required to be flexible when dealing with members demands					
	SACCO should offer unsecured loans because most of SACCO customers were switching to banks where this service was offered					

SECTION D: LOAN PORTFOLIO MANAGEMENT

10. Comment on the following statements about the effects of the loan portfolio management on affecting growth of cooperatives societies in Kenya. Use a scale of 1-5 where: 1- Strongly disagree; 2- Disagree; 3- Neither agree or disagree; 4- Agree and 5- Strongly agree

No	Statement	1	2	3	4	5
	My SACCO has credit policies and guidelines which is strictly applied when giving loans					
	Loans given to member's are always guaranteed.					
	My SACCO monitors loans given to members to ensure periodical repayment.					
	When member fails to repay loans recovery procedures are instituted immediately.					

SECTION E: GOVERNMENT POLICY

12. Comment on the following statements about the effects of government policy on affecting growth of cooperatives societies in Kenya. Use a scale of 1-5 where: 1- Strongly disagree; 2- Disagree; 3- Neither agree or disagree; 4- Agree and 5- Strongly agree

No	Statement	1	2	3	4	5
	The commercial banks' acquisition of clients in the co-operative sub-sector has created ripples in the business					
	The performance of SACCO is declining and this has been attributed to competitive pressures					

	SACCO are required to invest in marketing and promotion which include personal selling					
	SACCO's are required to be flexible when dealing with members demands					

SECTION F: SACCO GROWTH

13 What is the trend of the following in your business for the last five years? Please tick as appropriate.

Trend	Greatly Improved	Improved	Constant	Decreasing	Greatly decreased
No. of members					
Gross Income					
Share Capital					
Deposits					